SYSTEM AND METHOD OF PROCESSING CREDIT CARD, E-COMMERCE, AND E-BUSINESS TRANSACTIONS WITHOUT THE MERCHANT INCURRING TRANSACTION PROCESSING FEES OR CHARGES WORLDWIDE

RELATED APPLICATIONS

This application is a continuation-in-part of U.S. application Ser. No. 09/293,129, filed on Apr. 16, 1999, and U.S. application Ser. No. 09/293,358, filed on Apr. 16, 1999, which both-are non-provisional claiming priority of U.S. provisional application Ser. No. 60/093,475, inventor H. Brock Kolls, entitled UNIVERSAL INTERACTIVE ADVERTISING AND PAYMENT SYSTEM FOR PUBLIC ACCESS ELECTRONIC COMMERCE AND BUSINESS RELATED PRODUCTS AND SERVICES, filed on Jul. 20, 1998.

TECHNICAL FIELD OF THE INVENTION

The present invention relates to a processing method for eliminating transaction processing fees incurred by a merchant, for processing a wide variety of credit card, e-commerce, and e-business type transactions. In addition, the present invention relates to a universal advertising and payment system and method for networking, monitoring, collecting data, selling goods and services, controlling interactive advertising, controlling is and effectuating electronic commerce and controlling vending equipment. The present invention also relates to physical and virtual networking of vending machines and network hardware, server based network control, and network security. The present invention can be implemented in a manner to allow operational monitoring and control of networks (and network hardware), vending machines, electronic mail (e-mail), electronic commerce (e-commerce), electronic business (e-business), payment for goods and services, delivery of goods and services, and advertising worldwide.

BACKGROUND OF THE INVENTION

The growth of the Internet has created a new way to buy, sell, trade, and barter goods and services worldwide. This new form of buying, selling, trading, and bartering may commonly be referred to as electronic commerce or e-commerce, and or electronic business or e-business. The process of conducting these types of transactions can be called an electronic commerce transaction, electronic business transaction, e-commerce transaction, or e-business transaction.

With the advent of e-commerce and e-business type transactions, a common method of payment can be credit cards. As a result, many e-commerce transactions and e-business transactions can be subject to credit card transaction processing fees or charges. These e-commerce and e-business transaction processing fees can be similar to fees incurred by traditional, non-Internet based businesses such as retail stores, and restaurants, to name a few. Transaction processing fees can include a charge based on a percentage of the transaction value, and or a flat fee for processing each transaction.

As more goods and services become available to more potential customers by way of the Internet the cost of transaction processing can become significant to a merchant. A merchant can be any individual or business. In many cases, transaction processing rates can be determined and

effectuated by credit card processing bureau, banks, financial institutes, and telecommunication companies.

As more businesses gain access to the Internet the frequency of e-commerce and e-business type transactions may continue to rise. With continued growth, the cost of doing e-commerce and e-business may become significant when considering the overall cost of transaction processing. Transaction processing costs may discourage and or prevent many businesses and or merchants from participating in e-commerce and or developing an e-business.

Prior to e-commerce and e-business, a factor in controlling the growth and expansion of a business may have been the limitations of advertising. In many cases, advertising through traditional advertising means (print, radio, television, etc.) reached only a few selected marketplaces. Reaching selected marketplaces with a controlled market approach might allow a company to tailor expansion and better manage the costs of doing business.

With managed growth, companies could offer alternative forms of payment for goods and services. For example, a retail store could accept cash or checks to potentially avoid or lessen certain transaction processing fees, thus potentially reducing the overall costs of doing business.

The dynamics of the Internet can be that a company obtains worldwide presence overnight. The ability to reach millions of potential customers can lead to high volumes of e-commerce and e-business orders, customer service issues, merchandise returns, and order fulfillment requirements. The workload may force some companies into a position of being unable to offer an alternative payment solution, instead relying on credit card and or magnet card forms of payment. The resultant can be increased transaction processing fees and a reduction of profits on e-commerce and e-business transactions.

As individuals become more reliant on the Internet for e-mail, e-commerce, and or e-business the demands for access to the Internet may increase. In addition, to the buying, selling, trading, and bartering supported on the Internet other services vital to daily business may also be performed online. The escalating demands for access to the Internet can result in increased e-commerce and e-business transactions. As a consequence the total overall fees paid for processing transactions may increase.

There are numerous problems for Internet based businesses (referred to as virtual companies or virtual businesses) in that increased competition on the Internet may see their growth and profits diminish. The barrier to entry of a virtual company can be little more than a computer hooked to the Internet. As more web sites appear selling similar products, a virtual company's ability to differentiate itself from other virtual companies may diminish. Head-to-head competition and transaction processing fees may shrink profit margins, potentially jeopardizing an entire business enterprise.

In addition to virtual companies having to compete with other virtual companies, virtual companies have to compete with brick and mortar type companies. Brick and mortar type companies may be referred to as physical companies. Physical companies are companies with physical locations that the public can access.

Physical companies may have several advantages over virtual companies including being able to accept alternative forms of payment (cash, checks, etc.). It may be much easier for a company with physical locations to expand by developing an Internet business, then it is for a virtual company to expand by buying or building physical locations.